

PROVINCE OF SASKATCHEWAN



MINISTRY OF
ADVANCED EDUCATION,
EMPLOYMENT AND LABOUR

07-08

FINANCIAL STATEMENT

CUMBERLAND REGIONAL COLLEGE

Letter of Transmittal

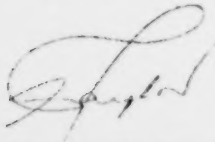
October 8, 2008

Honourable Rob Norris
Minister of Advanced Education, Employment
and Labour
Room 208, Legislative Building
Regina SK S4S 0B3

Dear Minister Norris:

On behalf of the board of directors of Cumberland Regional College, and in accordance with the provisions of *The Regional Colleges Act*, I am pleased to submit the audited financial statements of Cumberland Regional College for the fiscal year ending June 30, 2008.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'M. Taylor', is written over a faint, circular embossed seal or watermark.

Maurice Taylor, Chair
Cumberland Regional College

NeuPath Group, PC Inc.

Chartered Accountants

Board of Directors
Cumberland Regional College
Nipawin, Saskatchewan

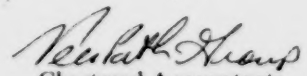
AUDITORS' REPORT

We have audited the statement of financial position of Cumberland Regional College as at June 30, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. The College's management is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

September 18, 2008
Nipawin, Saskatchewan

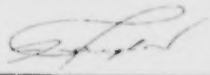

Chartered Accountants

CUMBERLAND REGIONAL COLLEGE

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2008
Statement 1**

	Operating Fund	Capital Fund	2008 Total	2007 Total
ASSETS				
Current Assets				
Cash	\$ 876,036	\$ 2,559,879	\$ 3,435,915	\$ 2,122,901
Accounts receivable (note 3)	237,728	-	237,728	201,492
Prepaid expenses	33,984	-	33,984	21,842
	1,147,748	2,559,879	3,707,627	2,346,234
Capital Assets (note 4)	-	865,019	865,019	752,799
	\$ 1,147,748	\$ 3,424,898	\$ 4,572,646	\$ 3,099,033
LIABILITIES				
Current Liabilities				
Accrued salaries and benefits	\$ 152,471	\$ -	\$ 152,471	\$ 123,745
Accounts payable and accrued liabilities (note 6)	109,920	-	109,920	236,609
Unearned revenue (note 7)	424,200	-	424,200	584,336
	686,591	-	686,591	944,690
NET ASSETS				
Invested in capital assets	-	865,019	865,019	752,799
Externally restricted (note 8)	-	2,109,954	2,109,954	-
Internally restricted (note 9)	279,152	449,925	729,077	1,244,541
Unrestricted	182,005	-	182,005	157,004
	461,157	3,424,898	3,886,055	2,154,343
	\$ 1,147,748	\$ 3,424,898	\$ 4,572,646	\$ 3,099,033

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

CUMBERLAND REGIONAL COLLEGE

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2008
Statement 2**

	Operating Fund			Capital Fund		Total	
	2008 Budget (Note 11)	2008	2007	2008	2007	2008	2007
Revenues (Schedule 1)							
Provincial Government	\$ 3,988,445	\$ 4,362,381	\$ 4,221,973	\$ 2,120,000	\$ 25,000	\$ 6,482,381	\$ 4,246,973
Federal Government	1,784	49,800	19,470	-	-	49,800	19,470
Other Revenue	1,221,672	1,437,498	1,094,488	14,954	-	1,452,452	1,094,488
	5,211,901	5,849,679	5,335,931	2,134,954	25,000	7,984,633	5,360,931
Expenses (Schedule 2)							
Agency contracts	949,427	1,141,473	832,844	-	-	1,141,473	832,844
Amortization	-	-	-	138,916	132,353	138,916	132,353
Equipment	176,276	328,635	236,504	-	-	328,635	236,504
Facilities	244,883	252,870	248,311	-	-	252,870	248,311
Information technology	68,957	52,105	44,308	-	-	52,105	44,308
Operating (Schedule 3)	684,252	652,953	687,357	-	-	652,953	687,357
Personnel services	3,634,096	3,685,970	3,315,225	-	-	3,685,970	3,315,225
	5,757,891	6,114,006	5,364,550	138,916	132,353	6,252,922	5,496,903
Excess (deficiency) of revenues over expenses	\$ (545,990)	\$ (264,327)	\$ (28,619)	\$ 1,996,038	\$ (107,353)	\$ 1,731,711	\$ (135,972)

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008
Statement 3**

	2008				2007
	Invested in capital assets	Restricted	Unrestricted	Total	Total
Net assets, beginning of year	\$ 752,799	\$ 1,244,541	\$ 157,004	\$ 2,154,344	\$ 2,290,315
Excess (deficiency) of revenues over expenses	1,996,038	-	(264,327)	1,731,711	(135,972)
Interfund transfers:					
Investment in capital assets	226,136	-	(226,136)	-	-
Internally imposed restrictions	-	(515,464)	515,464	-	-
Externally imposed restrictions	(2,109,954)	2,109,954	-	-	-
Net assets, end of year	\$ 865,019	\$ 2,839,031	\$ 182,005	\$ 3,886,055	\$ 2,154,343

	Balance, beginning of the year	To Restricted	From Restricted	Balance, end of the year
<u>Externally Restricted (Note 8)</u>				
Advanced Education, Employment and Labour Capital Funding	\$ -	\$ 2,109,954	\$ -	\$ 2,109,954

<u>Internally Restricted (Note 9)</u>				
Operations	75,305	14,127	(15,280)	74,152
Professional development	15,000	-	(15,000)	-
Personal professional development	19,340	-	(19,340)	-
Curriculum development	6,993	-	(6,993)	-
ABE resources	6,197	1,319	(7,516)	-
Programs	399,944	-	(257,444)	142,500
Innovation fund	136,762	-	(74,262)	62,500
Capital	225,000	-	(85,075)	139,925
Nipawin facility	300,000	-	-	300,000
Tisdale facility	60,000	-	(50,000)	10,000
	1,244,541	15,446	(530,910)	729,077
	\$ 1,244,541	\$ 2,125,400	\$ (530,910)	\$ 2,839,031

See accompanying notes

CUMBERLAND REGIONAL COLLEGE**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008
Statement 4**

	2008	2007
Cash flows from (used in) operating activities		
Excess (deficiency) of revenues over expenses	\$ 1,731,711	\$ (135,972)
Amortization of capital assets	138,916	132,353
Net change in non-cash working capital (note 10)	(306,477)	300,169
	1,564,151	296,551
Cash flows used in investing activities		
Purchase of capital assets	(251,136)	(166,229)
Net increase in cash	1,313,015	130,322
Cash, beginning of year	2,122,901	1,992,579
Cash, end of year	\$ 3,435,916	\$ 2,122,901

See accompanying notes

1. PURPOSE AND AUTHORITY

The Cumberland Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board plays an integral part in strategic direction and management guidance.

The purpose of the College is to provide credit and non-credit classroom and vocation training to meet the needs of the regional constituents and industry. The Cumberland Regional College is exempt from the payment of income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

(a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For accounting and reporting purposes, resources are classified into funds in accordance with specified activities or objectives.

(i) Operating Fund

The operating fund accounts for the College's program delivery, service and administrative activities.

(ii) Capital Fund

The capital fund reflects the net book value of all capital assets of the College after taking into consideration any associated long term debt. The capital fund also includes contributions, interest and donations designated for capital purposes by the contributor. Also included in the capital fund are the appropriations for future capital expenditures.

(b) Revenue recognition

The College follows the restricted fund method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the operating fund in the year that the related expenses are incurred. Contributions restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating contributions are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets costing under \$500 are expensed in the current year. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows, and amortization is reported as an expense in the capital fund.

Buildings	5%
Leasehold improvements	5%
Furniture and equipment	10% to 33%
Vehicles	20%

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(d) Use of estimates**

These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

(e) Cash

Cash is represented by cash on hand and balances with banks.

(f) Financial instruments

Effective July 1, 2007, the College adopted the recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855 - Financial Instruments - Recognition and Measurement. Under these new standards, all financial assets and financial liabilities must be identified and classified. This classification determines how each financial instrument is measured.

The College's financial instruments and their classification are as follows:

Financial Instrument	Classification
Cash	Held for trading
Accounts receivable	Loans and receivables
Short-term investments	Held for trading
Accrued salaries and benefits	Other liabilities
Accounts payable and accrued liabilities	Other liabilities

Held for trading financial assets and liabilities are measured at fair value. Changes in the fair value are recognized in the Statement of Operations and Changes in net Assets. Loans and receivables and other financial liabilities are measured at amortized cost. Due to their short term nature, the amortized cost of these instruments approximates their fair value.

This change in accounting policy did not have a significant impact on the College's financial statements at the time of adoption.

(g) Recent accounting pronouncements

Effective July 1, 2008, the College will be required to adopt CICA Handbook sections 3862 - Financial Instruments - Disclosures, and 3863 - Financial Instruments - Presentation. Section 3862 provides standards for disclosure of the risks arising from financial instruments to which the College is exposed, and how the risks are managed by the College. Section 3863 provides standards for the presentation of financial instruments and non-financial instrument derivatives. The College is currently evaluating the impact of the adoption of these new sections on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

3. ACCOUNTS RECEIVABLE

	2008	2007
Saskatchewan Advanced Education, Employment and Labour	\$ 119,192	\$ 92,006
Federal Government	33,240	14,588
Other	85,296	94,898
	\$ 237,728	\$ 201,492

4. CAPITAL ASSETS

	Cost	2008 Accumulated Amortization	Net Book Value	2007 Net Book Value
Buildings	\$ 1,334,210	\$ 608,236	\$ 725,974	\$ 572,861
Leasehold improvements	258,242	148,566	109,676	122,588
Furniture and equipment	670,819	641,450	29,369	57,349
Vehicles	23,486	23,486	-	-
	\$ 2,286,757	\$ 1,421,738	\$ 865,019	\$ 752,799

5. LEASE OBLIGATIONS

The College is committed under an annual term lease for office space at the following minimum amount for the next year (exclusive of proportionate increases and additional occupancy costs – the lease is negotiated annually):

2009 \$ 24,917

The College is committed under an operating lease for office equipment as follows:

2009 \$ 12,835

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2008	2007
Provincial Government	\$ 5,643	\$ 13,388
Federal Government	1,512	99,856
Other	102,765	123,366
	\$ 109,920	\$ 236,609

7. UNEARNED REVENUE

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2008	2007
Saskatchewan Advanced Education, Employment and Labour	\$ 405,623	\$ 584,336
Other	18,577	-
	\$ 424,200	\$ 584,336

8. EXTERNAL RESTRICTIONS ON NET ASSETS

Advanced Education, Employment and Labour has funded \$2,109,954 (2007 - \$nil) designated capital contributions to be used for future capital expenditures as per Statement 3. These externally restricted amounts are not available for other purposes without approval of Advanced Education, Employment and Labour.

9. INTERNAL RESTRICTIONS ON NET ASSETS

During the year the Board of Directors reallocated \$15,446 within the internally restricted fund to be used for various purposes as indicated on Statement 3. The Board of Directors also approved the transfer of \$530,910 from internally restricted net assets to unrestricted net assets.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

10. NET CHANGE IN NON-CASH WORKING CAPITAL

	2008	2007
Accounts receivable	\$ (36,236)	\$ 38,179
Prepaid expenses	(12,142)	(4,449)
Accounts payable and accrued liabilities and accrued salaries and benefits	(97,964)	167,796
Unearned revenue	(160,136)	98,643
	\$ (306,477)	\$ 300,169

11. BUDGET AMOUNTS

The budget amounts on these financial statements were prepared by Regional College Management and approved by the Board on June 26, 2007. The Minister approved the budget on August 21, 2007.

12. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

Related party expenses during the year were as follows:

	2008	2007
SaskEnergy	\$ 1,831	\$ 645
SaskPower	1,652	265
SaskTel and SaskTel Mobility	54,000	50,538
Saskatchewan Institute of Applied Science and Technology	289,734	162,697
Saskatchewan Property Management	79,428	78,255
University of Saskatchewan	62,207	63,212
University of Regina	5,572	5,092
	\$ 494,424	\$ 360,704

Other transactions with related parties are disclosed elsewhere in these financial statements and related notes.

13. FINANCIAL INSTRUMENTS RISKS

The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the provincial and federal government, therefore, credit risk is minimal.

14. EMPLOYEE FUTURE BENEFITS

Employees of the College participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in the Teachers' Superannuation Plan (TSP) or the Saskatchewan Teachers Retirement Plan (STRP) which are administered by the Teachers' Superannuation Commission and the Saskatchewan Teachers' Federation respectively. The Board has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the required employer contributions of STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is a multi-employer defined benefit plan.

The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The College's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to \$97,881 (2007 - \$79,272).

15. CONTINGENT LIABILITY

A union representing employees of an employer unrelated to the College has applied by Notice of Motion for an order quashing purported decisions of the Municipal Employees Pension Plan, relating to the application of actuarial surplus in the fund, as well as other relief. Several participating employers, including the College, have been named. It is not possible to estimate the potential effect of the claim at this stage in the proceedings.

SCHEDULE OF OPERATING FUND REVENUES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2008
Schedule 1

	2008									2008 Budget	2007 Total
	General	Skills Training		Basic Education		University	Services		Total		
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel			
(Note 11)											
Provincial Government											
Saskatchewan Advanced Education, Employment and Labour											
Operating grant	\$ 1,734,241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,734,241	\$ 1,684,639	\$ 1,619,595
Program payments	-	1,080,809	28,205	636,301	199,961	85,215	180,071	50,994	2,261,557	2,213,698	2,125,651
Other	-	-	-	-	-	-	16,681	-	16,681	90,108	15,590
	1,734,241	1,080,809	28,205	636,301	199,961	85,215	196,751	50,994	4,012,478	3,988,445	3,760,835
Other Provincial	38,662	-	142,129	62,292	4,634	-	355	101,830	349,903	-	461,138
	1,772,903	1,080,809	170,334	698,593	204,596	85,215	197,106	152,825	4,362,381	3,988,445	4,221,973
Federal Government											
Admin recovery	-	-	-	-	-	-	-	-	-	-	-
Seat purchases	-	-	-	-	-	-	-	-	-	-	-
Projects	-	-	-	-	-	-	-	-	-	1,784	-
Other	-	-	-	-	49,800	-	-	-	49,800	-	19,470
	-	-	-	-	49,800	-	-	-	49,800	1,784	19,470
Other Revenue											
Admin recovery	2,540	-	-	-	-	-	-	-	2,540	-	4,003
Contracts	2,879	21,077	8,324	148,672	75,282	13,277	7,494	3,706	280,711	608,208	338,000
Interest	97,680	-	-	-	-	-	-	-	97,680	85,000	109,751
Rents	390	-	10	-	-	-	-	-	400	-	690
Resale items	3,728	83,767	29,024	-	1,704	15,918	-	-	134,141	95,950	91,724
Tuition	-	408,693	462,588	-	5,870	32,262	5,862	-	915,274	422,414	542,084
Other	895	2,730	-	-	-	727	2,400	-	6,753	10,100	8,238
	108,112	516,267	499,946	148,672	82,856	62,184	15,756	3,706	1,437,498	1,221,672	1,094,488
Total revenues	1,881,015	1,597,076	670,280	847,265	337,251	147,399	212,862	156,531	5,849,679	5,211,901	5,335,931
Total operating fund expenses (Schedule 2)	2,184,784	1,354,957	529,052	792,020	439,945	195,246	387,887	230,115	6,114,006	5,757,891	5,364,550
Excess (deficiency) of revenues over expenses	\$ (303,769)	\$ 242,119	\$ 141,228	\$ 55,245	\$ (102,694)	\$ (47,848)	\$ (175,025)	\$ (73,584)	\$ (264,327)	\$ (545,990)	\$ (28,619)

SCHEDULE OF OPERATING FUND EXPENSES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2008
Schedule 2

	2008									2008 Budget	2007 Total
	General	Skills Training		Basic Education		University	Services		Total		
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel		(Note 11)	
Agency contracts	\$ -	\$ 624,216	\$ 419,398	\$ -	\$ 31,744	\$ 58,569	\$ 1,600	\$ 5,945	\$ 1,141,473	\$ 949,427	\$ 832,844
Equipment	277,891	3,463	10	8,023	5,168	963	29,552	3,565	328,635	176,276	236,504
Facilities	160,921	32,511	5,184	11,695	21,168	1,525	10,193	9,674	252,870	244,883	248,311
Information technology	30,529	768	4,658	92	-	-	13,744	2,314	52,105	68,957	44,308
Operating (Schedule 3)	290,960	116,906	64,260	63,656	51,956	29,474	21,208	14,533	652,953	684,252	687,357
Personnel services	1,424,482	577,094	35,542	708,554	329,909	104,716	311,590	194,084	3,685,970	3,634,096	3,315,225
	\$ 2,184,784	\$ 1,354,957	\$ 529,052	\$ 792,020	\$ 439,945	\$ 195,246	\$ 387,887	\$ 230,115	\$ 6,114,006	\$ 5,757,891	\$ 5,364,550
		<u>\$ 1,884,009</u>		<u>\$ 1,231,965</u>			<u>\$ 618,001</u>				

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING EXPENSES

FOR THE YEAR ENDED JUNE 30, 2008

Schedule 3

	2008 Budget (Note 11)	2008 Total	2007 Total
Advertising	\$ 92,773	\$ 122,079	\$ 83,986
Association fees and dues	12,449	12,115	12,706
Financial services	2,000	3,373	1,901
In-service	24,940	8,402	13,733
Insurance	9,526	12,293	9,256
Materials and supplies	218,357	164,975	162,802
Postage, freight and courier	16,656	17,159	17,887
Printing and copying	26,650	19,579	28,248
Professional services	27,300	37,768	71,311
Resale items	90,900	99,643	107,346
Subscriptions	2,200	1,493	5,742
Telephone and fax	57,485	52,637	50,538
Travel	90,716	89,606	104,629
Other	12,300	11,830	17,273
	\$ 684,252	\$ 652,953	\$ 687,357

See accompanying notes

**CUMBERLAND REGIONAL COLLEGE
OVER \$50,000 PERSONAL SERVICES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2008
UNAUDITED**

Berge, Diane	\$	51,537
Bittman, Lyle	\$	66,714
Carrington, Gina	\$	61,188
Joinson, Randy	\$	58,662
Jones, Kathleen	\$	55,097
Joyes, Carroll	\$	53,029
Kerslake, Linda	\$	68,300
Kezema, Kirk	\$	58,878
Kiverago, Susan	\$	53,088
Lam Ma, Corinne	\$	61,500
Leader, Trevor	\$	53,873
McBain, Jennifer	\$	50,258
McPhee, Lynda	\$	75,448
Mellon, Brenda	\$	63,354
Mushinski, Valerie	\$	120,238
Schumilas, Dawn	\$	51,244
Serack, Leslee	\$	84,118
Solsten, Joy	\$	68,300
Staples, Andrea	\$	54,203
Stephenson, Sandra	\$	66,090
Teale, Cory	\$	61,500
Turgeon, Debbie	\$	53,745
Valleau, Elaine	\$	57,231
Webster, Trudi	\$	61,500
Zazelenchuk, Debbie	\$	60,236
TOTAL	\$	<u>1,517,795</u>

**CUMBERLAND REGIONAL COLLEGE
OVER \$50,000 PAYEE SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2008
UNAUDITED**

Association of Saskatchewan Regional Colleges	\$56,500
Blue Cross	\$138,843
Don Wehage Trucking	\$67,367
Grand & Toy	\$155,298
Melfort Journal	\$50,376
Municipal Employees Pension Plan	\$195,614
Minister of Finance	\$98,314
Northeast School Division	\$135,770
Receiver General	\$1,092,317
S.I.A.S.T. Woodland Campus	\$129,527
Sasatchewan Government Employees Union	\$76,245
Saskatchewan Trucking Association	\$633,546
Sask Tel	\$54,000
Stone's Plumbing and Heating	\$58,723
University of Saskatchewan	\$62,207
S.I.A.S.T. Wascana Campus	\$160,207
Total	<u>\$3,164,857</u>

